

August 16, 2006

National Provider ID (NPI) Notification Alert for Individual Providers

On May 23, 2007, Alabama Medicaid providers will join other health care providers in the United States in using a federally-required National Provider Identifier (NPI) number on all claims transactions. Use of the NPI is mandated by the Health Insurance Portability and Accountability Act (HIPAA) and will also be needed to process claims on interChange, Alabama Medicaid's new claims processing system, after the NPI compliance date.

To ensure that claims are processed correctly on the new system, providers are asked to obtain all NPI number(s) needed and provide this information to EDS as soon as possible, but no later than **April 01, 2007**. Below is more information on the NPI and steps all Alabama Medicaid providers need to take to ensure that their claims can be processed when the new system begins.

Questions You May Have About Alabama Medicaid's Implementation of the NPI:

What is a National Provider Identifier (NPI)?

The National Provider Identifier (NPI) is designed to uniquely identify a health care provider in standard transactions, such as health care claims. It uses all numeric characters and is 10 positions in length. The first nine positions are the identifier and the last position is a check digit which is used to detect invalid NPIs.

Why do we need a National Provider Identifier (NPI)?

The Health Insurance Portability and Accountability Act (HIPAA) requires that covered entities (e.g. health plans, health care clearinghouses, and those health care providers who transmit any health information in electronic form in connection with a transaction for which the Secretary of Health and Human Services (HHS) has adopted a standard) use NPIs in standard transactions by the compliance date of May 23, 2007.

How do I apply for a National Provider Identification (NPI) number?

There are two ways to apply for a NPI number from Fox System, Inc., the contractor responsible for issuing NPI numbers: online or regular postal mail.

For the most efficient and fastest receipt of your NPI, the online method is recommended. To apply online, go to <https://nppes.cms.hhs.gov>.

To apply by mail, print the request form from <https://nppes.cms.hhs.gov> and send the completed application to:

**NPI Enumerator
P.O. Box 6059
Fargo, ND 58108-6059**

Because of the volume of requests expected, **providers are encouraged to apply early and allow time to receive the number** from the enumerator.

How many numbers do I need to request?

To ensure that reimbursement is not affected by this change, providers are strongly encouraged to apply for NPI number(s) based on how their organization or practice is currently enrolled in the Alabama Medicaid program. In most cases, providers should, if allowed by NPI regulations, obtain a NPI for each provider number they currently have. Large or complex organizations may want to contact their EDS Provider Representative for assistance before requesting numbers.

The attached table shows some basic NPI scenarios, the impact on claims payment and recommendations for applying for NPIs.

Basic NPI Scenarios:

Is the provider an individual (I) or facility (F)?	Is the individual part of group/payee?	How many service locations are services performed?	Are the service locations part of different groups/payees?	What happens today?	BASIC scenarios which can occur with NPI?	Payment and EOP Distribution Method	Recommendation
I	N	One	N/A	Provider has one Medicaid performing provider number, which is also utilized as the Medicaid group/payee number on claims as applicable. The provider receives one check and one Explanation of Payment (EOP) reported under the one Medicaid provider number.	If an individual provider with one service location who is not part of a group obtains the one NPI allowed per individual person, he/she will utilize that NPI in the same manner as the Medicaid provider number he/she has today.	He/She will still receive one payment and one EOP.	Obtain Individual NPI
I	Y	One	N/A	Provider has one Medicaid performing provider number. This performing provider number is submitted in conjunction with the Medicaid group/payee number	If an individual provider with one service location who is part of a group obtains one NPI allowed per individual person and one Organizational NPI for the group/payee, the individual and organizational NPI will be utilized as the Medicaid	Provider will receive one payment and one EOP reported under the Organizational NPI.	Obtains Individual NPI and one Organizational NPI

Is the provider an individual (I) or facility (F)?	Is the individual part of group/payee?	How many service locations are services performed?	Are the service locations part of different groups/payees?	What happens today?	<i>BASIC</i> scenarios which can occur with NPI?	Payment and EOP Distribution Method	Recommendation
				on claims as applicable. The provider receives one check and one (EOP) reported under the one Medicaid group/payee number.	performing and Medicaid group/payee provider number is utilized today.		
I	N	Multiple	N/A	Provider has multiple Medicaid performing provider numbers, which are also utilized as the Medicaid group/payee number on claims as applicable. Provider receives multiple checks and multiple EOPs reported under each Medicaid number assigned for each service location.	If a provider obtains the one individual NPI allowed per person, that NPI is utilized on claims for all service locations for him/her.	Provider will receive one payment and one EOP.	Obtain Individual NPI

Is the provider an individual (I) or facility (F)?	Is the individual part of group/payee?	How many service locations are services performed?	Are the service locations part of different groups/payees?	What happens today?	BASIC scenarios which can occur with NPI?	Payment and EOP Distribution Method	Recommendation
I	Y	Multiple	N	Provider has multiple Medicaid performing provider numbers; however, provider only has one Medicaid group/payee number utilized on claims as applicable. Provider receives one check and one EOP reported under the Medicaid group/payee number.	If a provider obtains the one individual NPI allowed per person and an Organizational NPI for the group/payee, the individual NPI will be utilized on applicable claims for all service locations as will the Organizational NPI obtained for the group/payee.	Provider will receive one payment and one EOP.	Obtain Individual NPI and one Organizational NPI
I	Y	Multiple	Y	Provider has multiple Medicaid performing provider numbers as well as multiple Medicaid group/payee numbers that are utilized on claims as applicable. Provider receives multiple checks and EOPs reported under each Medicaid	If a provider obtains the one individual NPI allowed per person and one Organizational NPI for each Medicaid group/payee, the individual NPI will be utilized on applicable claims for all service locations where the individual performs services. This individual NPI will be submitted in	Provider will receive one check and one EOP per Organizational NPI.	Obtain Individual NPI and an Organizational NPI for Each active group/payee number

Is the provider an individual (I) or facility (F)?	Is the individual part of group/payee?	How many service locations are services performed?	Are the service locations part of different groups/payees?	What happens today?	BASIC scenarios which can occur with NPI?	Payment and EOP Distribution Method	Recommendation
				group/payee number.	conjunction with the applicable Organizational NPI obtained for the multiple Medicaid groups/payees.		
F	N/A	One	N/A	Provider has one Medicaid provider number utilized on claims. Provider receives one check and one EOP reported under assigned Medicaid provider number.	Provider obtains one Organizational NPI.	Provider will receive one payment and one EOP.	Obtain One Organization NPI
F	N/A	Multiple	N/A	Provider has one Medicaid provider number per service location, which is utilized on claims as applicable. Provider receives multiple checks and EOPs reported under each Medicaid provider number.	Provider obtains an Organizational NPI for each service location	Provider will receive one payment and one EOP per Organizational NPI.	Obtain Individual NPI for each service location

Is the provider an individual (I) or facility (F)?	Is the individual part of group/payee?	How many service locations are services performed?	Are the service locations part of different groups/payees?	What happens today?	BASIC scenarios which can occur with NPI?	Payment and EOP Distribution Method	Recommendation
I	Y	One	N	Provider is a sole proprietor (or has a sole proprietorship business) and is enrolled with Medicaid provider number for him/herself and has one Medicaid group/payee number for the sole proprietorship. Within the sole proprietorship business other Medicaid providers are enrolled with a Medicaid provider number which is part of the Medicaid group/payee for the sole proprietorship. Provider receives one check and one EOP reported under the group/payee number.	Sole proprietor of the business can obtain the one individual NPI allowed per person. Individuals within the sole proprietorship can obtain his/her individual NPI. The Medicaid group/payee number will not be replaced with an Organizational NPI as a sole proprietorship does not meet the standards for receiving an Organizational NPI.	Payments and EOPs can be reported under each individual NPI. Provider will no longer receive one payment and one EOP reported under the Medicaid group/payee ID or an Organizational NPI.	Obtain One Individual NPI

Note: All providers requesting a NPI number must also request at least one taxonomy code. Provider taxonomy codes are an administrative code set identifying a provider type and area of specialization for all health care providers. A given provider may have up to five taxonomy codes, depending on their specialty areas. Any taxonomy codes received should be provided to EDS along with the NPI number.

What do I do once I receive my NPI number(s)?

Once the NPI number and any taxonomy codes are received, they should be submitted to EDS using the enclosed NPI Notification Form. EDS is now ready to receive this information.

You will need to send 1) The completed NPI Notification Form, and 2) a copy of the NPI notification letter received from the enumerator to EDS. The documents can be mailed to the address on the form or faxed to the number indicated on the form. A copy of the Notification Form is also available on the Alabama Medicaid website at www.medicaid.alabama.gov under *Billing/Forms/Provider Enrollment Forms*.

Note: Providers will continue to submit claims with their current Alabama Medicaid-issued provider numbers until the new system to accommodate NPI numbers is implemented on May 23, 2007.

What if I have other questions about NPI?

If you have questions regarding how to fill out the NPI Notification Form, contact your Provider Representative at 1-800-688-7989 (within Alabama) or (334) 215-0111 (outside Alabama).